

**Illinois Department of Revenue
Regulations**

Title 86 Part 500 Section 500.204 Report of Loss of Motor Fuel

TITLE 86: REVENUE

**PART 500
MOTOR FUEL TAX**

Section 500.204 Report of Loss of Motor Fuel

- a) All licensed suppliers, distributors, and receivers are required to report all losses of motor fuel sustained by them on account of fire, theft, spillage, spoilage, leakage or any other provable cause when filing the return for the period during which such loss occurred in order that the Department may make such investigation as it may deem necessary.
- b) The mere making of such a report does not assure the allowance of such loss as a credit on account of tax liability with respect to such loss, but failure to report such losses promptly may result in the refusal of the Department to allow credit on account of tax liability with respect to such a loss.
- c) Before July 1, 2001, *losses of fuel as the result of evaporation or shrinkage due to temperature variations may not exceed one percent of the total gallons in storage at the beginning of the month, plus the receipts of gallonage during the month, minus the gallonage remaining in storage at the end of the month. Any loss reported that is in excess of one percent shall be subject to the tax imposed by Section 2 or Section 2a of the Law and the fee imposed by Section 310 of the Environmental Impact Fee Law. (Sections 2b, 5, and 5a of the Law)*
- d) *On and after July 1, 2001, for each 6-month period January through June, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each January, plus the receipts of gallonage each January through June, minus the gallonage remaining in storage at the end of each June. On and after July 1, 2001, for each 6-month period July through December, net losses of fuel (for each category of fuel that is required to be reported on a return) as the result of evaporation or shrinkage due to temperature variations may not exceed 1% of the total gallons in storage at the beginning of each July, plus the receipts of gallonage each July through December, minus the gallonage remaining in storage at the end of each December. Any net loss reported that is in excess of this amount shall be subject to the tax imposed by Section 2 or 2a of the Law and the fee imposed by Section 310 of the Environmental Impact Fee Law. "Net loss" means the number of gallons gained through temperature variations minus the number of gallons lost through temperature variations or evaporation for each of the respective 6-month periods. (Sections 2b, 5, and 5a of the Law)*

(Source: Amended at 26 Ill. Reg. 9912, effective June 24, 2002)

